

Department of Health and Human Services

LME Response to Utilization Management Readiness Criteria

Return the completed form by **12/15/2008** to:

**Division of Medical Assistance
3101 Industrial Drive
Suite 205
Raleigh, NC 27609**

Local Management Entity

Date Submitted

Contact Person (Print Name and Title)

Telephone Number

Signature

E-Mail Address

- If you are **not** interested in performing Utilization Management functions, please complete your contact information above, check the box below, and return this page to the above address. No further action is needed.

☐ This LME is **NOT** interested in performing Utilization Management functions.

- If you are interested in applying to perform Utilization Management functions, please complete the remaining information and submit it following the *General Information for Submitting LME UM Proposals* provided with your package.

Part A. Minimum Requirements for Participation

In the grid below, place a check by the requirements that are FULLY met by the LME. These are the minimum organizational requirements that must be met by any potential LME for the provision of service authorization, utilization review, and utilization management (UM) functions.

A reference column identifies the location in the *LME UM Requirements* document that provides the details of the requirement listed. The second column is to be used by the LME to indicate which page in the LME's proposal addresses the requirement. If there are multiple documents attached, please provide the title(s) of the corresponding document(s) that addresses the requirement and the page number(s). Attach all supporting documentation.

REQUIREMENTS	✓	REFERENCE	PAGE(S)
1. No Medicaid reimbursable services provided (divestiture of all services). <i>Date of full divestiture:</i> _____		III.A. Page 4.	
2. Is or agrees to become an approved CMS certified QIO-like (Quality Improvement Organization) entity by July 1, 2009. <i>Date of certification:</i> _____ OR <i>Expected date of certification:</i> _____		III.B. Page 4.	
3. The LME is currently, or agrees to be accredited for UM by NCQA or URAC no later than January 1, 2012. <input type="checkbox"/> Currently accredited: <i>Date of accreditation:</i> _____ <i>Accrediting body:</i> _____ <input type="checkbox"/> Accreditation in process: <i>Date of application:</i> _____ <i>Expected date of accreditation:</i> _____ <i>Accrediting body:</i> _____		III.B. Page 4.	
4. Financial resources sufficient to meet all requirements of the transition, implementation, and ongoing performance of all of the UM functions.		III.C. Page 5.	
5. There have been no legal actions taken against the LME in the past 2 years, and there are no legal actions pending. OR, if any legal action has been taken, or is pending, an explanation is attached.		III.D. Page 5.	
6. The LME shall not serve as legal guardian for any recipient of Medicaid reimbursed behavior health services.		III.E. Page 5.	
7. The LME shall not make any referral of a patient to any entity in which the LME or any member of the LME is an investor.		III.F. Page 6.	
8. The LME shall maintain professional liability insurance for itself and its professional staff with limits of at least (\$1,000,000) per occurrence and at least (\$3,000,000) in the aggregate throughout the terms of the contract.		III.G. Page 6.	
9. The LME must possess and maintain an automated Information Management System capable of performing all the activity, interfacing and reporting requirements of Utilization Management. The system must be accessible remotely by DMA and have the ability for provider access to check the status of their service authorization requests.		III.H. Page 6.	
10. The LME cannot show favoritism to any provider nor have biased referral patterns or trends.		III.I. Page 7.	
11. Compliance with future directives for services billed through the LME.		III.J. Page 7.	
12. The LME agrees to abide by all requirements contained in the requirements document and any subsequent changes to the document.			

Part B. Utilization Management Plan

The LME must have a fully developed business and technical plan for implementation of UM with policies and procedures that address each of the criteria in the *LME UM Requirements* document. Following is an outline of the requirements for service authorization, utilization review, and utilization management functions.

A reference column identifies the location in the *LME UM Requirements* document that provides the details of the requirement listed. The second column is to be used by the LME to indicate which page in the LME's proposal addresses the requirement. If there are multiple documents attached, please provide the title(s) of the corresponding document(s) that addresses the requirement and the page number(s). Attach all supporting documentation.

The Utilization Management Plan must incorporate the following:	REFERENCE	PAGE(S)
1. Purpose		
2. Scope		
3. Goals		
4. Staffing Requirements For each position, attach CV, license, certification or other supporting documentation. For staff not yet hired, attach a job description with minimum requirements of the position.		
4.1. One full time Medical Director holding an unencumbered NC Medical License and who is board certified in psychiatry.	IV.A. Page 7.	
4.2. One full time contract manager who has a clinical background and who will coordinate this effort with DMA.	IV.A. Page 7.	
4.3. One full time Director of Information Management Systems with a minimum of two (2) years experience in data management for a large health care contract covering a minimum of 100,000 lives.	IV.A. Page 7.	
4.4. Clinical Review Staff		
4.4.1. Access to a psychiatrist holding an unencumbered NC Medical License and who is board certified or board eligible in child psychiatry.	IV.A. Page 7.	
4.4.2. Access to a physician holding an unencumbered NC Medical License and who is board certified or board eligible in ASAM.	IV.A. Page 7.	
4.4.3. The LME has, or will hire, licensed/certified staff in numbers sufficient to support the functions described in the plan and with expertise in each population group served by Medicaid services in the LME catchment area.	IV.A. Page 7.	
4.4.4. At least one licensed/certified Staff for each population group served.	IV.A. Page 7.	
4.4.5. Staff reviewing mental health and substance abuse populations will have the relevant education, experience, certification and licensure.	IV.A. Page 8.	
4.4.6. Staff conducting CAP/DD Waiver services or other DD services reviews must meet the criteria for QP in developmental disabilities with a BA in Human Services and 2 years experience with the relevant population.	IV.A. Page 8.	

The Utilization Management Plan must incorporate the following:	REFERENCE	PAGE(S)
4.4.7. Staff reviewing service requests for individuals with co-occurring disorders shall have an advanced degree in one area and two (2) years of experience in working with the co-morbid disorder.	IV.A. Page 7.	
4.4.8. Staff must be available that have special expertise with children and the elderly and have received training in cultural competency specific to key ethnic groups.	IV.A. Page 7.	
4.5. The ability to develop special review teams to respond to requests from DMA for on site reviews.	IV.B. Page 8.	
4.6. Provide an organizational chart that indicates the structure of the UM Department of the LME.	IV.C. Page 8.	
4.7. Qualified staff must be hired and trained to perform UM functions no later than May 15, 2009.	IV.D. Pages 8-9.	
4.8. There must be a process for the verification of staff credentials and must report those credentials to DMA as specified.	IV.E. Page 9.	
4.9. Staff making adverse decisions must meet specific criteria.	IV.F. Page 10.	
5. Provider Assistance		
5.1. The provider call center must be sufficiently staffed to meet performance requirements.	V.A. Page 10.	
5.2. There must be a provider representative available to handle and resolve complaints.	V.B. Page 11.	
5.3. There must be a formal process for handling and resolving provider complaints.	V.C. Pages 11-12.	
5.4. The LME must be able to report on the activities of provider assistance.	V.D. Page 12.	
6. Utilization Management Work Plan		
6.1. Identify the scope of the LME Utilization Management.	VI. Pages 12-13.	
7. Utilization Review Components		
7.1. Identify the parameters of medical necessity.	VII.A. Page 13.	
7.2. Identify the means for determining medical necessity.	VII.B. Pages 14-15.	
7.3. Reviews with special guidelines.		
7.3.1. EPSDT.	VII.C. Page 15.	
7.3.2. Child Residential Levels II-IV.	VII.D. Pages 15-16.	
7.4. The activities surrounding the service authorization request and review shall be documented.	VII.E. Pages 16-18.	
7.5. The ability to receive and process authorization requests via surface mail, telephone, and secure electronic submissions to include email, web-based and fax.	VII.F. Page 18.	
7.6. Initial Reviews (Initial Authorizations) must be performed within the designated time frames.	VII.G. Pages 18-19.	

The Utilization Management Plan must incorporate the following:	REFERENCE	PAGE(S)
7.7 Concurrent Review (Reauthorizations) must be performed within the designated time frames.	VII.H. Page 19.	
7.8. Retrospective Reviews must be performed within the designated time frames.	VII.I. Page 19.	
7.9. Consumer eligibility may require verification.	VII.J. Pages 19-20.	
7.10. Provider eligibility may require verification.	VII.K. Page 20.	
8. Types of Utilization Reviews		
8.1. Initial reviews.	VIII.A. Page 21.	
8.2. Concurrent reviews.	VIII.B. Pages 21-22.	
8.3. EPSDT.	VIII.C. Page 22.	
8.4. Requests for Non-covered services.	VIII.D. Page 22.	
8.5. Retrospective reviews.	VIII.E. Pages 22-23.	
8.6. Special team reviews.	VIII.F. Page 23.	
8.7. Quality assurance reviews.	VIII.G. Pages 23-24.	
9. Authorization Process		
9.1. Reviews for outpatient services.	IX.A. Pages 24-29.	
9.2. Reviews for enhanced benefit services.	IX.B. Pages 29-33.	
9.3. Reviews for inpatient services (including PRTF).	IX.C. Pages 33-38.	
9.4. Reviews for residential child care.	IX.D. Pages 39-43.	
9.5. Reviews for criterion 5.	IX.E. Pages 43-44.	
9.6. Reviews for CAP/MR-DD and targeted case management.	IX.F. Pages 44-48.	
9.7. Reviews for out-of-state placement.	IX.G. Page 49.	
9.8. Reviews for EPSDT.	IX.H. Pages 50-51.	
9.9. Reviews for services authorized retrospectively.	IX.I. Pages 51-52.	
10. Disposition of Authorization Requests		
10.1. Services authorized as requested.	X.A. Page 52.	

The Utilization Management Plan must incorporate the following:	REFERENCE	PAGE(S)
10.2. Pended authorizations.	X.B. Page 53.	
10.3. Services authorized with negotiated modifications/revisions.	X.C. Pages 53-54.	
10.4. Services denied for administrative reasons.	X.D. Pages 54-56.	
10.5. Services reduced or denied.	X.E. Pages 56-57.	
11. Adverse Actions		
11.1. Recipient notices.	XI.A-C. Pages 57-58.	
11.2. Notice tracking and audits.	XI.D-E. Page 58.	
12. Hearings and Appeals		
12.1. Filing and the hearing process.	XII.A-B. Pages 59-60.	
12.2. LME responsibility for hearings and appeals.	XII.C. Page 60.	
13. Maintenance of Service		
13.1. Maintenance of service criteria and process.	XIII. Page 61.	
14. Performance Standards		
14.1. Identify how these will be met.	XIV.A-B. Pages 61-65.	
15. Privacy and Security		
15.1. Identify compliance with privacy and security policies and procedures.	XV. A-E. Pages 65-66.	
16. Confidentiality		
16.1. Identify confidentiality policies and procedures.	XVI. Pages 66-67.	
17. Security		
17.1. Identify security policies and procedures.	XVII. A-F. Pages 67-69.	
18. Statewide Architecture		
18.1. Identify compliance with statewide architecture.	XVIII. Page 69.	
19. Disaster Recovery		
19.1. Identify disaster recovery policies and procedures.	XIX. Pages 69-70.	
20. Data Processing		
20.1. Prior approval.	XX.B. Pages 70-71.	
20.2. Data collection.	XX.C. Page 72.	

The Utilization Management Plan must incorporate the following:	REFERENCE	PAGE(S)
20.3. Front-end editing.	XX.D. Page 72.	
20.4. Data ownership.	XX.E. Page 72.	
21. Reporting		
21.1. Reports as required.	XXI. Pages 72-73.	
22. Invoicing		
22.1. Invoice submission.	XXII.A. Pages 73-75.	
22.2. Issue resolution.	XXII.B. Page 75.	
22.3. Payment and payment reductions.	XXII.C-D. Page 75.	
23. Other Requirements		
23.1. Address all other requirements of contract.	XXIII. Page 76.	
24. UM Implementation/Transition Plan with Timeline		